

**STATEMENT OF PROCEEDINGS FOR THE  
REGULAR MEETING OF THE  
CITY OF HUNTINGTON PARK OVERSIGHT BOARD**

**CITY OF HUNTINGTON PARK  
CITY COUNCIL CHAMBERS  
6550 MILES AVENUE  
HUNTINGTON PARK, CALIFORNIA, 90255**

**Wednesday, January 9, 2013**

**3:30 PM**

**I. CALL TO ORDER**

**Rhonda Rangel, Oversight Board staff, called the meeting to order 3:55 p.m.**

**II. ROLL CALL**

**Present:** Board Member Luis Buendia, Board Member Albert Fontanez,  
Board Member Richard Verches, Board Member Theresa Villegas  
and Vice Chair Yolanda Duarte

**Absent:** Board Member Eduardo Adame and Chair Elba Guerrero

**III. ADMINISTRATIVE MATTERS**

- 1.** Recommendation: Approve the Statement of Proceedings of November 14, 2012.  
(13-0201)

**On motion of Board Member Fontanez, seconded by Board Member Villegas,  
duly carried by the following vote, the Board approved the Statement of  
Proceedings from November 14, 2013:**

**Ayes:** 4 - Board Member Buendia, Board Member Fontanez,  
Board Member Villegas and Vice Chair Duarte

**Absent:** 3 - Board Member Adame, Board Member Verches and  
Chair Guerrero

**Attachments:** [SUPPORTING DOCUMENT](#)

- 2.** Recommendation: Approve the Statement of Proceedings of November 21, 2012.  
(13-0202)

**On motion of Board Member Fontanez, seconded by Board Member Villegas,  
duly carried by the following vote, the Board approved the Statement of  
Proceedings from November 21, 2013.**

**Ayes:** 4 - Board Member Buendia, Board Member Fontanez,  
Board Member Villegas and Vice Chair Duarte

**Absent:** 3 - Board Member Adame, Board Member Verches and  
Chair Guerrero

**Attachments:** [SUPPORTING DOCUMENT](#)

3. Discussion and review of the draft Due Diligence Review of Non Housing Funds and convene Public Comment Session pursuant to Health and Safety Code Section 34179.5. (13-0203)

Rhonda Rangel, Oversight Board Staff, confirmed that a final copy of the signed Due Diligence Review (DDR) was provided to the Board Members and made available to the public as a link on the agenda. Mr. Julio Morales, Director of Finance, informed the Board that staff had a Meet and Confer meeting with the Department of Finance (DOF) regarding the Low and Moderate Income Housing Fund and it was concluded that the County demand payment put the Successor Agency in an adverse financial position. He added that it was reiterated that the Middleton Project was not approved by the DOF, therefore they could not spend any money on the project.

Board Member Buendia requested clarification as to whether the DDR had been adjusted to reflect the outcome of the Meet and Confer. Mr. Morales stated that the amounts discussed with the DOF during the Meet and Confer were for the Low and Moderate Income Housing Fund.

Board Member Buendia requested clarification on line items listed on Attachment B-2 Financial Transactions Report-All Funds as to whether or not the items have been reconciled. Mr. Morales stated that not all items have been finalized on the report and the unreconciled items are noted in the footnotes.

Board Member Buendia voiced concerns with Attachment B-6 Calculations of Current Balances for Retention to Meet Enforceable Obligations and added that the Funding Deficiency listed in the amount of (\$3,777,584) should be approximately (\$997,339). He also noted that based on the Meet and Confer, the amount of \$4,202,321 was the amount received by the Successor Agency and should be included in the calculations and not as a footnote.

The Board questioned whether the DDR was accurate and Mr. Morales indicated that he felt the amounts coincide with those of the Cash Flow Report. Board Member Buendia requested that the accurate numbers reflected in correspondence from the DOF to the Successor Agency be reflected in the DDR.

Mr. Morales reiterated that the County Demand payment is what placed the Successor Agency in a deficit of approximately \$2.579 million. Board Member Buendia requested confirmation that the payment was made and Fernanda Palacios, Project Manager, assured the payment was made in July 2012.

Vice Chair Duarte opened the Public Comment Session and noted that no members of the public were present. She added that no actions will be taken by the Board and requested Successor Agency staff to modify the draft DDR and present the final DDR to the Board for approval at the next meeting.

**On the motion of Board Member Verches, seconded by Board Member Fontanez, duly carried by the following vote, the Board accepted to receive the draft of the Due Diligence Review of Non Housing Funds as amended, to reflect a true balance as of June 30, 2012 with addition of significant information to reflect the County Demand Payment and any other obligations and convene a Public Comment Session pursuant to Health and Safety Code Section 34179.5.**

**Ayes:** 5 - Board Member Buendia, Board Member Fontanez, Board Member Verches, Board Member Villegas and Vice Chair Duarte

**Absent:** 2 - Board Member Adame and Chair Guerrero

**Attachments:** [SUPPORTING DOCUMENT](#)

#### **IV. CLOSED SESSION**

4. Oversight Board Counsel shall provide a briefing on the items listed for Closed Session as follows:  
[PUBLIC EMPLOYMENT]  
(Government Code Section 54957)  
Interview and consider candidates for the position of Oversight Board Legal Counsel.  
(13-0193)

The Closed Session was taken out of order. Board Member Verches arrived at 4:04 p.m.

**By Common Consent, there be no objection (Chair Guerrero and Board**

**Member Adame being absent), the Oversight Board entered into Closed Session at 4:05 p.m.**

**The Closed Session adjourned and Open Session reconvened at 5:09 p.m. with the following Board Members present: Vice Chair Yolanda Duarte, Board Member Buendia, Board Member Fontanez, and Board Member Villegas.**

Vice Chair Duarte announced that no reportable actions were taken.

**V. MISCELLANEOUS**

- 5.** Matters not on the posted agenda (to be presented and placed on the agenda for a future meeting). (13-0205)

Mr. Julio Morales, Director of Finance requested that an update on disposal of agency owned properties be placed on the next agenda for discussion, Mr. Morales briefly discussed the following four assets that the Successor Agency must dispose of:

- (1) 6908 Rugby Avenue Parking Lots
- (2) Heritage Plaza
- (3) Carmelita Property
- (4) Southland Steel

Ms. Palacios assured Vice Chair Duarte that before any properties or assets can be sold, they first must be approved on the DDR and cleared by the DOF.

Board Member Villegas questioned the motive behind the purchase of Southland Steel given that the site was contaminated. Manny Acosta, Housing & Community Development Manager, indicated the purchase was initially made with the plans of expanding an existing auto dealership or building a new one. Unfortunately, the severity of the contamination was not fully comprehended until after the purchase of the property. Mr. Morales advised the Oversight Board that all four properties will have to be sold "as is". There are no resources to make improvements or adjustments to any of the properties since payments on the bonds take priority.

Mr. Morales added that arbitrary rebate liability payment is due in 2014 and a portion of the proceeds from any sale of properties will go towards paying off the liability payment. Vice Chair Duarte inquired whether this information was provided on any of the previous other reports. Mr. Morales pointed out that the payment never was included because it is not due until 2014 and the

Recognized Obligation Payment Schedules (ROPS) only account for a six month period.

6. Public Comment (Opportunity for Members of the Public to Address the Board on Items of Interest that are Within the Jurisdiction of the Board). (13-0206)

There was none.

7. Chair and Board Member Comments. (13-0207)

The Board requested Fernanda Palacios, Project Manager, to schedule interviews for the next Board meeting with potential candidates seeking to become legal representation for the Oversight Board.

8. Adjournment of the Special Meeting of January 9, 2013. (13-0208)

**The meeting adjourned at 6:20 p.m. A Special Meeting will take place on January 16, 2013 at 3:30 p.m.**